

29 JAN 1974

MEMORANDUM FOR: Deputy Director for Management and Services
FROM : Director of Logistics
SUBJECT : Proposed Renewal of Lease on Agency-Occupied
Buildings in Arlington, Virginia

1. Action Requested: It is requested that you approve our request to the General Services Administration (GSA), Public Buildings Service, to negotiate for the renewal of leases on Agency-occupied buildings in Arlington, Virginia.

2. Background:

a. The Agency presently occupies approximately [redacted] square feet of space in four leased buildings (Magazine, Key, Ames Center, and Chamber of Commerce) located in the Rosslyn area and vicinity. Leases on these buildings will expire from December 1974 to January 1976, a time frame of approximately 1 year. The attached data sheet provides specific information concerning terms of leases and starting and expiration lease dates for each building.



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c. On 6 March 1973, GSA was requested to identify and acquire relocation space for Agency components presently housed in Magazine Building whose 10-year lease will expire 25 November 1975. Agency occupancy of the Magazine Building has been fraught with unacceptable and inadequate working conditions due to deficiencies inherent in the building design and the failure of the lessor, in spite of Agency complaints, to provide adequate maintenance and operation of the building facilities. GSA has been advised that the Agency is no longer interested in the Magazine Building and will expect an equal amount of space elsewhere. Firm requirements are now being drafted.

d. Leases on the three remaining buildings expire as follows: Key Building, 31 December 1974; Chamber of Commerce Building, 20 November 1975; and Ames Center Building, 23 January 1976. The lessors of these buildings have been cooperative with the Agency and have provided good services in a timely manner.

e. Even if a decision were reached today to construct a new building to house all the Agency's Rosslyn tenants, it has been estimated that it would be anywhere from 7 to 10 years before it could be ready for occupancy. This, coupled with the existing requirements, leads to the conclusion that all the Agency's current external office buildings must be retained for at least this period of time, in kind or in fact.

f. GSA has advised that their present leasing policy normally calls for a 5-year firm lease and a 5-year option with provisions to terminate only after the end of the first year of the option with appropriate notice. Relative to the present time, if leases were renewed on their expiration date and the above lease terms were negotiated, the following time frames for minimal and maximum occupancy of each building would be realized with intermediate intervals dependent upon the termination provisions.

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Key Building	- 6 through 11 years
Chamber of Commerce Building (providing the present one 5-year renewal option is exercised and an additional 5-year option can be negotiated)	- 7 through 12 years
Ames Center Building	- 7 through 12 years

g. In view of the 7- to 10-year time frame required for a potential Headquarters consolidation building program, it would appear that the common ingredient of a 7-year lease tenure, provided by the 5-year firm lease with termination provisions after the end of the first year of the 5-year option, would coincide with the timing of any potential building program. If further delays in implementing a building program occurred, additional years would remain available in each of the building leases. In the interim, Agency space needs, determined by new programs and Agency personnel fluctuations, would continue to be manipulated within existing space holdings when possible.

3. Recommendation: It is recommended that you approve a proposed request to GSA to accomplish the following:

a. Negotiate for the renewal of leases in Key and Ames Center Buildings under terms which will provide for a 5-year firm lease with option to renew for a 5-year period with rights to cancel after the end of the first year of the option period.

b. Exercise the Chamber of Commerce 5-year renewal option when it becomes available 30 days prior to 20 November 1975 and negotiate, if acceptable to the lessor, a new 5-year option, with appropriate termination provisions, to expire in November 1985.

/s/ Francis J. Van Damm

Francis J. Van Damm
Director of Logistics

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APPROVED: /s/ Harold L. Brownman*

DISAPPROVED: _____

*The recommendation in paragraph 3a is approved for action. The recommendation in paragraph 3b is approved in principle to be reviewed at such time as Com requires as to take positive action.

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